

CITY OF MUSKEGON

CITY COMMISSION MEETING

SEPTEMBER 25, 2007

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, September 25, 2007.

Mayor Warmington opened the meeting with a prayer from Reverend Dennis Remenschneider from St. Paul's Episcopal Church after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Stephen Gawron, Commissioners Clara Shepherd, Lawrence Spataro, Sue Wierengo, and Chris Carter, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Becker.

Mayor Warmington presented a resolution to Jeannine Davis and family in remembrance of Commissioner Kevin Davis who passed away September 2, 2007.

2007-82 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes for the September 10th Commission Worksession, and the September 11th Regular Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Resolution to Sell 280 Iona. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the resolution to sell the City-owned house at 280 Iona to Mr. James E. Evans of 1502 Peck Street, Apt. #8, Muskegon, for the appraised value of \$103,000 minus the \$18,000 subsidy.

The house at 280 Iona was part of an acquisition and clearance project where the original house that was on the City's dangerous building list was obtained from the State of Michigan through the tax reversion process. Once it was acquired, it was demolished and the new structure was built. A few years ago the house next door at 284 Iona went through the same process the previous structure was demolished and a new home was built in its place. This project at 280 Iona entitled a

“Metamorphosis from Old to New” is one more example of the City’s aggressive efforts to redevelop our neighborhoods.

FINANCIAL IMPACT: The program income derived from this transaction will be deposited in the City’s HOME account.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution and the sale of 280 Iona to Mr. James E. Evans.

COMMITTEE RECOMMENDATION: The City Commission approved both the acquisition of the original structure and the construction of the new home.

C. Vacation of the East 106 feet of the Dead-End Alley in Block 757 Bounded by Simpson Avenue, Beach Street and Watson Avenue. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request for vacation of the East 106 feet of the dead- end alley bounded by Simpson Avenue, Beach Street, and Watson Avenue, located in Muskegon Revised Plat of 1903, Bock 757.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends vacation of the east 106 feet of the dead-end alley bounded by Simpson Avenue, Beach Street, and Watson Avenue, with the condition that unrestricted utility easement be retained.

COMMITTEE RECOMMENDATION: The Planning Commission recommended vacation of the alley at their September 13, 2007 meeting, with the condition that unrestricted utility easement rights be retained. The vote was unanimous with T. Michalski, J. Aslakson, and B. Smith absent.

D. Payment for Fire Station Site Work. CITY MANAGER

SUMMARY OF REQUEST: To approve a request to pay Muskegon Downtown Believers for site work associated with the new Central Fire Station. This work was done in conjunction with site work for the new Harley Davidson building.

FINANCIAL IMPACT: \$64,940.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve payment to Muskegon Downtown Believers in the amount of \$64,940.

F. Budgeted Equipment Replacement. PUBLIC WORKS

SUMMARY OF REQUEST: Approval to purchase one BC 1800XL brush chipper from Vermeer of Michigan.

FINANCIAL IMPACT: \$38,872.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve purchase.

G. City – MDOT Agreement for Federal Money Loan to Reconstruct Division Street, Laketon to Southern. ENGINEERING

SUMMARY OF REQUEST: To approve the contract with MDOT for the reconstruction of Division St. from Laketon Ave. to Southern Ave. and to approve the resolution authorizing the Mayor and City Clerk to sign the contract for the Federal Funds Loan from the State.

The advantage on this project is that this whole agreement is merely a paper- work matter since the City could not have spent any construction money against the Federal Funds to accrue any interest until those funds become available.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None at this time. The City's share of the cost will come out of the Major Street and Water funds as will be shown in the 2008 budget.

STAFF RECOMMENDATION: Approve the contract and resolution and authorize the Mayor and Clerk to sign both.

H. City – MDOT Agreement for the Reconstruction of Division Street, Laketon to Southern. ENGINEERING

SUMMARY OF REQUEST: To approve the contract with MDOT for the reconstruction of Division St. from Laketon Ave. to Southern Ave. and to approve the resolution authorizing the Mayor and City Clerk to sign the contract.

FINANCIAL IMPACT: MDOT's participation is limited to the Federal funds of \$252,875 and \$63,218.75 of State funds (Local Jobs Today Grant) for a total grant of \$316,093.75. The estimated total construction cost, without engineering, is \$911,500. The engineering cost is estimated at an additional 15% of the construction cost.

BUDGET ACTION REQUIRED: None at this time. The City's share of the cost will come out of the Major Street fund and will appear in the 2008 budget.

STAFF RECOMMENDATION: Approve the contract and resolution and authorize the Mayor and Clerk to sign both.

I. City – MDOT Agreement for the Whitetopping of Sherman Blvd. at Henry St. Intersection plus the Sidewalk Installation along Sherman Blvd. between Henry & Barclay. ENGINEERING

SUMMARY OF REQUEST: To approve the contract with MDOT for the whitetopping of Sherman Blvd. at the Henry St. intersection plus the sidewalk installation along Sherman Blvd. between Henry St. and Barclay St. and to approve the resolution authorizing the Mayor and City Clerk to sign the contract.

FINANCIAL IMPACT: MDOT's participation is limited to the Federal funds of \$209,800 and \$52,400 of State funds (Local Jobs Today Grant) for a total grant of \$262,200. The estimated total construction cost, without engineering, is \$262,000. The engineering cost is estimated at an additional 15% of the construction cost.

BUDGET ACTION REQUIRED: None at this time. The City's share of the cost will come out of the Major Street fund and will appear in the 2008 budget.

STAFF RECOMMENDATION: Approve the contract and resolution and authorize the Mayor and Clerk to sign both.

J. Nutritional Services for Older Americans, Inc/City of Muskegon Agreement. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The City of Muskegon has had an Agreement with Nutritional Services for Older American, Inc. (NSOA). They are requesting that this Agreement be renewed for another year (through September 30, 2008). NSOA will pay the City \$200 a month for expenses associated with the McGraft Park Community Building, where they operate as a location for senior meals and support services for seniors in the area. The City will provide financial support in the amount of \$8,316 for staff time for recreational programs provided at McGraft Park and their other locations.

FINANCIAL IMPACT: The City will receive \$200 a month in rent from NSOA and will provide \$8,316 in staff time and recreational programming.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the Agreement between NSOA and the City and authorize the Mayor to sign the Agreement.

Motion by Commissioner Carter, second by Vice Mayor Gawron to approve the Consent Agenda as read minus items E and K.

**ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Wierengo, Carter, and Gawron
Nays: None**

MOTION PASSES

2007-83 ITEMS REMOVED FROM THE CONSENT AGENDA:

E. Service Agreement with Roosevelt Park. PUBLIC WORKS

SUMMARY OF REQUEST: Authorize the Mayor and Clerk to sign the agreement with Roosevelt Park to maintain their fleet.

FINANCIAL IMPACT: Potential revenue of \$5,000 to \$15,000.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve the service agreement with Roosevelt Park and authorize the Mayor and Clerk to sign the agreement.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the Service Agreement with Roosevelt Park to maintain their fleet.

ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Carter, Gawron, and Shepherd

Nays: None

MOTION PASSES

- K. Michigan Natural Resources Trust Fund Grant Application for Smith-Ryerson Park Increase in Match Due to Items That Can be Done In-house (Force Account Labor/Materials).** PLANNING & ECONOMIC DEVELOPMENT/LEISURE SERVICES

SUMMARY OF REQUEST: The State has requested more information for the City's Michigan Natural Resources Trust Fund Grant Application regarding the first phase of proposed upgrades to Smith-Ryerson Park. The City is allowed to increase their points for the grant by including any in-house services that can be done to increase the match. The removal of one baseball/softball field, creation of two educational signs (dune and the creek), pier at the creek, trimming of enough overgrowth for placement of the pier, and the cost to re-stripe the current parking lot with appropriate handicap signage will be added as the City in-house (force account labor/materials) costs.

FINANCIAL IMPACT: There is no impact for the 2007 budget year. If the application is approved, it will be budgeted in the 2008 budget year.

BUDGET ACTION REQUIRED: The total estimated cost for the in-house (force account labor/materials) is \$13,850. This will be budgeted in the 2008 budget year.

STAFF RECOMMENDATION: To approve the resolution to increase the match by doing additional items in-house (force account labor/materials), and to have the Mayor and Clerk sign the resolution.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the Michigan Natural Resources Trust Fund Grant Application for Smith-Ryerson Park increase in match due to items that can be done in-house (force account labor/materials).

ROLL VOTE: Ayes: Warmington, Wierengo, Carter, Gawron, Shepherd, and Spataro

Nays: None

MOTION PASSES

□ PUBLIC HEARINGS:

- A. Request for a Time Extension for the Obsolete Property Rehabilitation Exemption Certificate at 790 Terrace.** PLANNING & ECONOMIC DEVELOPMENT

(REMOVED PER STAFF REQUEST)

❑ **COMMUNICATIONS:**

❑ **CITY MANAGER'S REPORT:**

2007-84 UNFINISHED BUSINESS:

A. 2008 Budget Adoption. FINANCE

SUMMARY OF REQUEST: The City Commission may take action to adopt the 2008 budget with whatever changes or adjustments it deems necessary. City Charter requires the budget be adopted no later than September 25, 2007.

FINANCIAL IMPACT: The budget sets forth the priorities and overall financial plan for operations in the year 2008. As proposed, the budget includes no property tax increase.

BUDGET ACTION REQUIRED: Adoption of the budget resolution provides the legal appropriation authority necessary for City departments to conduct operations in 2008.

STAFF RECOMMENDATION: Approve the proposed 2008 City of Muskegon Budget resolution.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the budget as presented.

ROLL VOTE: Ayes: Wierengo, Carter, Gawron, Shepherd, and Spataro

Nays: Warmington

MOTION PASSES

B. Concurrence with the Housing Board of Appeals Notice and Order to Demolish 2409 Crozier. PUBLIC SAFETY

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the structure located at 2409 Crozier is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

FINANCIAL IMPACT: General Funds.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to concur with the Housing Board of Appeals notice and order to demolish 2409 Crozier.

ROLL VOTE: Ayes: Gawron, Shepherd, and Spataro

Nays: Carter, Warmington, and Wierengo

MOTION FAILED

C. Restrictive Covenant Purchase. PUBLIC WORKS

SUMMARY OF REQUEST: Authorize staff to make a \$10,000 offer for restrictive covenant on 1385 E. Keating. The City had made a \$9,000 offer which was rejected by the owner.

FINANCIAL IMPACT: \$10,000.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve purchase.

Motion by Commissioner Carter, second by Commissioner Wierengo to approve the restrictive covenant purchase of \$10,000 for 1385 E. Keating.

ROLL VOTE: Ayes: Gawron, Shepherd, Spataro, Wierengo, and Carter

Nays: None

Absent: Warmington (stepped out of the room)

MOTION PASSES

2007-85 NEW BUSINESS:

A. Consideration of Bids for the Spring Street, 24" Sanitary Sewer Replacement (S-627). ENGINEERING

SUMMARY OF REQUEST: Authorize staff to enter into an emergency repair contract with McCormick Sand Inc. out of Twin Lake to replace approximately 110' of partially collapsed 24" sanitary sewer in Spring Street at Wood since they were the lowest responsible bidder with a bid price of \$48,410. The bid prices are inclusive of all labor, material and traffic control necessary to perform the replacement. Also, the bids were based on non-prevailing wage standards.

FINANCIAL IMPACT: The construction cost of \$48,410 plus engineering costs which is estimated at an additional 5%.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Award the contract to McCormick Sand, Inc.

Motion by Commissioner Carter, second by Vice Mayor Gawron to approve the consideration of bids for the Spring Street, 24" sanitary sewer replacement (S-627).

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Wierengo, Carter, and Gawron

Nays: None

MOTION PASSES

B. Vacation of the West 200 feet of the Dead-End Alley in Block 690 Bounded by Crozier Avenue, Fountain Street and Harding Avenue. PLANNING &

ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request for vacation of the west 200 feet of the dead-end alley bounded by Crozier Avenue, Fountain Street, and Harding Avenue, located in Muskegon Revised Plat of 1903, Block 690.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends vacation on the west 200 feet of the dead-end alley bounded by Crozier Avenue, Fountain Street, and Harding Avenue, with the condition that all utility easement rights be retained.

COMMITTEE RECOMMENDATION: The Planning Commission recommended denial of the vacation of the alley at their September 13, 2007 meeting. The vote was T. Harryman, L. Spataro, B. Larson, B. Turnquist, S. Warmington, and B. Mazade opposed, J. Aslakson in favor of the vacation and T. Michalski and B. Smith absent.

Motion by Vice Mayor Gawron, second by Commissioner Spataro to deny the vacation of the dead-end alley in block 690 bounded by Crozier Avenue, Fountain Street, and Harding Avenue.

**ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Carter, Gawron, and Shepherd
Nays: None**

MOTION TO DENY PASSES

C. MERS Administrative Cleanup Issues. FINANCE

SUMMARY OF REQUEST: The transfer of retirement assets to MERS is complete. A couple of "cleanup" issues have emerged, however, which we would like to address at this time.

Definition of "Hours per Month" for Firefighters.

Rebalancing of Assets Among MERS Group Accounts.

FINANCIAL IMPACT: rebalancing assets among the various MERS groups will help reduce the City's required contribution rates.

BUDGET ACTION REQUIRED: None at this time. Any identified pension contribution savings will be factored in future quarterly budget reforecasts.

STAFF RECOMMENDATION: Approval of the resolutions implementing these changes.

Motion by Vice Mayor Gawron, second by Commissioner Shepherd to approve the resolutions implementing the changes for the MERS administrative cleanup issues.

**ROLL VOTE: Ayes: Warmington, Wierengo, Carter, Gawron, Shepherd, and Spataro
Nays: None**

MOTION PASSES

D. Participation in MML Legal Defense Fund to Intervene in Consumers Energy Rate Filing. WATER FILTRATION

SUMMARY OF REQUEST: To approve a financial contribution to the Michigan Municipal League Legal Defense Fund to intervene in the Consumers Energy rate filing request to the Michigan Public Service Commission to increase its rates for generation and distribution of electricity.

FINANCIAL IMPACT: An in-kind contribution, along with the Cities of Grand Rapids and Wyoming, not to exceed \$5,500.

BUDGET ACTION REQUIRED: The in-kind contribution will be taken from the Water Fund.

STAFF RECOMMENDATION: Staff recommends the Mayor and Commission authorize staff to make this contribution in an effort to mitigate the proposed twenty-one percent increase to the present cost of electricity at the Water Filtration Plant.

Motion by Vice Mayor Gawron, second by Commissioner Wierengo to authorize staff to make the contribution so that we may participate in the Michigan Municipal League Legal Defense Fund to intervene in the Consumers Energy rate filing.

ROLL VOTE: Ayes: Wierengo, Carter, Gawron, Shepherd, Spataro, and Warmington

Nays: None

MOTION PASSES

E. Concurrence with the Housing Board of Appeals Notice and Order to Demolish the Following: PUBLIC SAFETY

1235 Ransom – Area 11b

740 Wesley

273 Sumner

222 E. Forest – Area 13

1497 Division – Area 12 (REMOVED PER REQUEST OF STAFF)

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the structures are unsafe, substandard, a public nuisance and that they be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structures and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

FINANCIAL IMPACT: CDBG Funds.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

Motion by Commissioner Spataro, second by Commissioner Shepherd to concur with the Housing Board of Appeals notice and order to demolish 1235 Ransom, 740 Wesley, and 273 Sumner.

ROLL VOTE: Ayes: Carter, Gawron, Shepherd, Spataro, Warmington, and Wierengo

Nays: None

MOTION PASSES

Motion by Commissioner Spataro, second by Vice Mayor Gawron to concur with the Housing Board of Appeals notice and order to demolish 222 E. Forest.

ROLL VOTE: Ayes: Gawron, Shepherd, Spataro, Warmington, Wierengo, and Carter

Nays: None

MOTION PASSES

ANY OTHER BUSINESS: Commissioner Spataro commented on the houses at 299 Houston and 775 Washington and on the County jail proposal dislocating businesses. Mayor Warmington welcomed our new City Commissioner Steven Wisneski.

ADJOURNMENT: The City Commission Meeting adjourned at 6:33 p.m.

Respectfully submitted,

Ann Marie Becker, MMC
City Clerk